
STATE OF INDIANA

DISTRESSED UNIT APPEAL BOARD



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Distressed Unit Appeal Board Meeting Memorandum

February 14, 2019

Call to Order: A meeting of the Distressed Unit Appeals Board (“DUAB” or “Board”) was held on February 14, 2019, at 10:00 a.m. EDT at the Indiana Government Center South Building, Conference Room D, Indianapolis, Indiana. Members of the Board attending the meeting in-person include Micah Vincent, Paul Joyce, Wes Bennett, and Tracy Brown. Rebecca Kubacki attended by phone. Courtney Schaafsma, Executive Director, was also in attendance.

Chairman Vincent called the meeting to order and recognized compliance with the Open Door Law. Chairman Vincent presented the minutes for the December 13, 2018 meeting. Mr. Joyce made a motion that the Board approve the minutes. Mr. Bennett seconded. The Board voted 5-0 to approve the minutes.

Ms. Schaafsma provided an update on the release of the school corporation fiscal indicators on December 31, 2018. She also explained that she was currently working through evaluating the financial condition of each school corporation in order to provide DUAB with a report by June 1, 2019.

Mr. Vincent introduced the next item on the agenda – consideration of an amendment to the Gary Schools Recovery, LLC contract. Ms. Schaafsma explained that the amendment was necessary as the original contract named Dr. Peggy Hinckley, the former emergency management lead for Gary Community School Corporation (“GCSC”), as a key person. Given the transition that occurred in this role to Dr. Pete Morikis in December, it was necessary to update the contract. Ms. Schaafsma then explained other updates being made to the contract, which include adding Mr. Eric Parish as a key person in addition to Dr. Morikis, updates to reflect current statute, and modifications to the on-site requirements for the emergency manager lead. Mr. Joyce asked if the changes in the on-site requirements would have any impact on GCSC’s accreditation. Ms. Schaafsma indicated she would work with the Indiana Department of Education to address this question. Mr. Joyce made a motion that the Board approve the contract amendment pending resolution of the question on on-site requirements. Ms. Kubacki seconded. The Board voted 5-0 to approve the motion.

Dr. Morikis (attending by phone) then provided an update on GCSC, including various community meetings that have been held and top concerns raised during these meetings. Dr. Morikis spoke about a new tutoring program that had been introduced in January for K-5 students and partnerships being developed with Purdue Northwest and Indiana University Northwest. Ms. Kubacki asked if a recent scheduling change at Ivy Tech would impact GCSC’s career center. Dr. Morikis indicated that GCSC is working with Ivy Tech to adapt schedules as needed.

Mr. Parish, financial lead for the GCSC emergency management team, added to the update by providing DUAB with information on the current status of the Roosevelt students building, which experienced burst pipes during the polar vortex. The Roosevelt students were relocating to the Gary Area Career

Center, starting on the day of the DUAB meeting. Mr. Joyce asked about the process for making up weather-related days and Mr. Parish indicated that discussions were on-going regarding how to best make up those days. Mr. Joyce then asked if the damages to the building would be covered by insurance. Mr. Parish indicated it was too early to tell.

Mr. Parish then provided DUAB with a financial update, including both a review of the 2019 internal budget and the Viable Deficit Reduction Plan Update #2 (“Plan”). Mr. Parish noted that the Plan was still largely on-track, with minor differences in anticipated savings due to timing on implementation of various initiatives.

Mr. Parish then discussed work that was being done to identify a new Student Information System for GCSC. He indicated that the emergency management team hoped to select a new system soon. Mr. Vincent asked what factors were going into the evaluation of potential systems. Mr. Parish indicated that enrollment, academics, and parent communications were all key aspects of the review.

The next agenda item was consideration of the annual property insurance contract for GCSC. Mr. Parish explained that the proposed contract was a renewal from the prior year, with the cost and details of the policy staying largely the same. Mr. Joyce asked about the inclusion of laptops in the property insurance, and Mr. Parish explained that the additional cost covered not just the laptops but other hardware and infrastructure necessary to support the laptops. Mr. Bennett asked about specific policies included in the coverage. Mr. Parish explained that the policies were for property insurance. Ms. Kubacki made a motion that the Board approve the contract presented. Ms. Brown seconded. The Board voted 5-0 to approve the motion.

Dr. Morikis then covered the last agenda item – recommendation regarding converting Frankie Woods McCullough Academy for Girls (“Academy”) into a co-ed facility for the 2019-2020 school year. Dr. Morikis explains that the Academy is under-utilized. He also indicated that community members had mentioned that many families will send their children to a co-ed school instead of the Academy to avoid having multiple school locations for their children. He also suggested that it may be possible to add pre-school classes into the building, which would allow GCSC to expand its pre-school offerings. Mr. Joyce asked if there were any building updates that would be needed to expand utilization of the Academy. Dr. Morikis indicated the building was in good shape but that GCSC would have the HVAC systems stress-tested. Ms. Kubacki asked if additional teachers would be hired or if teachers would be shifted from existing locations. Dr. Morikis indicated that both approached were likely. The Board directed Dr. Morikis to hold a public hearing on the recommendation and report back to the Board. The Board also asked that Ms. Schaafsma attend the hearing.

New business: None.

Adjournment: Chairman Vincent adjourned the meeting at 11:20 a.m.